

1 Amend 2 Cal. Code Regs. Section 18531.61 to read:

2 **18531.61. Treatment of Debts Outstanding After an Election ~~–Contributions Accepted on~~**
3 **~~or After January 24, 2004.~~**

4 (a) Application. Under Government Code Section 85316(a) a candidate for elective state
5 office may raise contributions after an election to pay net debts outstanding, subject to the
6 applicable contribution limit for that election. This regulation applies to contributions accepted
7 under Government Code Section 85316(a) on or after January 24, 2004, by a candidate for
8 elective state office. See 2 Cal. Code Regs. Section 18531.6 for rules regarding the treatment of
9 similar contributions accepted before January 24, 2004.

10 (b) Definitions. For purposes of Government Code Section 85316(a) and this regulation,
11 the following definitions apply:

12 (1) “The applicable contribution limit for that election” means the contribution limit, if
13 any, as provided in Government Code Sections 85301 and 85302 applicable on the date of the
14 election.

15 (2) “That election” or “the election” means the election for which a candidate for elective
16 state office is raising contributions to pay net debts outstanding.

17 ~~(a) As of January 24, 2004, a contribution for an election, regardless of when held, may~~
18 ~~be accepted by a candidate for elective state office after the date of the election only to the extent~~
19 ~~that the contribution does not exceed net debts outstanding from the election. For purposes of~~
20 ~~section 85316, “the applicable contribution limit for that election” means the contribution limits,~~
21 ~~if any, as provided in Government Code sections 85301 and 85302 applicable on the date of the~~
22 ~~election.~~

23 ~~(b) Transfers to a committee formed for an election held on or after January 1, 2001, or~~

November 6, 2002, for statewide elective office, are subject to the requirements of 2 Cal. Code
Regs. section 18536.

~~(c) A candidate for elective state office subject to subdivision (a) of this regulation may
use contributions accepted pursuant to Government Code sections 85316 and 85321 only for
payment of net debts outstanding for an election.~~

~~(d) For purposes of this section, "net debts outstanding" includes the following:~~

~~(3) "Net debts outstanding" includes all of the following:~~

~~(1) (A) An amount necessary to cover the cost of raising funds as permitted under this
section Government Code Section 85316(a) and this regulation.;~~

~~(2) (B) Any costs associated with Costs related to complying with the post-election
requirements of this Title Title 9 of the Government Code and other necessary administrative
costs associated with related to winding down the campaign, including office space rental, staff
salaries, and office supplies. ; and~~

~~**(C) Legal fees and expenses incurred directly in connection with a ballot recount for
an election conducted pursuant to Chapter 9 of Division 15 of the Elections Code.**~~

~~(3) (D) The total amount of unpaid debts, loans and accrued expenditures incurred with
respect to an election, less the sum of both of the following:~~

~~(A) (i) The total cash on hand available to pay those debts and obligations, including:
currency; balances on deposit in banks, savings and loan institutions, and other depository
institutions; traveler's checks; certificates of deposit; treasury bills; and any other committee
investments valued at fair market value. ; and~~

~~(B) (ii) The total amounts owed to the candidate controlled committee in the form of
credits, refunds of deposits, returns, or receivables, or a commercially reasonable amount based~~

1 on the collectibility of those credits, refunds, returns, or receivables.

2 (c) Raising Funds. A candidate for elective state office may accept contributions after
3 the date of the election only up to the amount of net debts outstanding from the election. The
4 candidate shall reduce the total amount of net debts outstanding as additional funds are received.
5 The candidate and his or her controlled committee(s) may not accept a contribution under
6 Government Code Section 85316(a) that exceeds the total amount of net debts outstanding on the
7 date the contribution is received. A contribution that exceeds the amount of net debts
8 outstanding shall be treated in the same manner as a contribution in excess of the contribution
9 limits.

10 (d) Paying the Debt. A candidate for elective state office may only use a contribution
11 accepted after the election pursuant to Government Code Section 85316(a) for payment of net
12 debts outstanding for the election. **The candidate may only use the funds on hand and owed**
13 **to the committee, described in subdivision (b)(3)(D)(i) and (ii), for payment of net debts**
14 **outstanding for the election. The candidate shall use available funds to pay net debts**
15 **outstanding as soon as practicable.**

16 (e) Transfer. Pursuant to Government Code Section 85306, a candidate may transfer
17 campaign funds from another of his or her controlled committees for the purpose of paying the
18 net debts outstanding of his or her committee for elective state office under Government Code
19 Section 85316(a). A transfer of this type made to a committee for an election to a statewide
20 elective office held on or after November 6, 2002, or to any other elective state office held on or
21 after January 1, 2001, is subject to the contribution limits of Government Code Sections 85301
22 and 85302 and attribution requirements of 2 Cal. Code of Regs. 18536.

23 ~~The amount of the net debts outstanding shall be reduced as additional funds are~~

1 ~~received. The candidates and his or her controlled committee(s) may accept contributions made~~
2 ~~after the date of an election, if such contributions do not exceed the amount of net debts~~
3 ~~outstanding on the date the contribution is received. Any contribution that exceeds the amount of~~
4 ~~net debts outstanding shall be treated in the same manner as a contribution in excess of the~~
5 ~~contribution limits.~~

6 Note: Authority cited: Section 83112, Government Code.

7 Reference: Section 83 of Proposition 34; and Sections 85201, 85301, 85302, 85306, 85316,
8 85317, 85318 and 85321, Government Code.